Town of Lochbuie, Colorado

FINANCIAL STATEMENTS

with Independent Auditor's Report

December 31, 2016

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BARNES GRIGGS
& ASSOCIATES, PC

Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Trustees
Town of Lochbuie, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Lochbuie, Colorado (the Town) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Lochbuie, Colorado, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Barnes Griggs & Associates, PC

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303.202.1800 Office • 303.237.0155 Fax • www.barnesgriggs.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages III through X and budgetary comparison information and pension-related schedules on pages 32 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information and the local highway finance report as listed in the table of contents are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lakewood, Colorado
July 28, 2017

Town of Lochbuie, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

This discussion and analysis of Lochbuie's financial statements for the year ended December 31, 2016 provides a narrative overview of the Town's financial activities. Please consider the information here in conjunction with the accompanying financial statements and notes to the financial statements.

The Town

The Town of Lochbuie is what is known as a Mayor-Board style statutory Town. This classification, in contrast to a home-rule town, limits the authority the Town exercises, primarily in the area of taxes and tax collection. The Town consists of an elected Mayor and six Town Board members. The Town also appoints a Town Treasurer and Town Clerk. The top three candidates for Board seats receive staggered 4 year terms, with the remaining 3 seats and the Mayor receiving a 2 year term. The Town Treasurer and Town Clerk are appointed to 2 year terms. The Town Board employs a Town Administrator to direct the daily activities and functions of the Town.

The Town is located in the northeast Denver metropolitan area and is located within Weld and Adams Counties. The Town is adjacent to the Cities and Towns of Brighton, Hudson and Fort Lupton. The Town encompasses 5 square miles, or 16,000 acres, with approximately 6,000 residents and 1,800 households. The Town provides the majority of its core services by its own means through a Town controlled Waste Water Treatment Plant, Reverse Osmosis Plant and employs its own Police Department.

The primary sources of revenue for Towns in Colorado are sales and use taxes, as is true for Lochbuie. Property taxes are the next largest source of governmental revenues. Other sources of governmental revenue include miscellaneous fees generated through the Town's gas, electric and cable providers and other taxes and fees. The Town also records program-type revenues from court fines and fees, land use and permitting fees, and capital grants and contributions.

Financial Highlights

- Assets and deferred outflows exceeded liabilities and deferred inflows of resources by $31,409,022 at December 31, 2016.

- Net position of governmental activities increased by $2,114,968, and net position of business-type activities increased by $3,762,598.

- Fund balance of the general fund decreased by $78,557.

Other Highlights:

- Building continued in 2 subdivisions within Town limits.

- The Town completed construction of a new Town Hall for administration, police, and community.

The District provides its employees with pension benefits through two multiple employer cost-sharing defined benefit pension plans administered by the Colorado Fire and Police Pension Association (FPPA) and Colorado Public Employees' Retirement Association (PERA). It is important to note that the Town does not currently have to pay the amount shown as the Town's net pension liability. The Town's direct liability is limited to the annually required contributions established by the State Legislature. In addition, the Town does not have any control over the investment policies associated with PERA and FPPA investments. These responsibilities lie solely with the PERA and FPPA board and administration. Decisions regarding the plan benefit design and the funding policies lie solely with the State Legislature. Please refer to Notes 7 and 8 within the Notes to Financial Statements section of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The G*overnment-wide Financial Statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The S*tatement of Net Position* presents information on all of the Town's assets and liabilities and deferred inflows of resources, with the difference between the two reported as *Net Position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. The reader of the financial statements should also consider other non-financial factors, such as changes in the composition or quality of the Town's sales tax base and perhaps the condition of the Town's infrastructure, to assess the overall health of the Town.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the *Statement of Net Position* and S*tatement of Activities*, the Town is divided into two kinds of activities:

- Governmental activities – most of the Town's basic services are reported here including public safety, public works, municipal courts and general administration. Sales and use taxes, property taxes, fees and charges from the courts and franchise fees finance most of these activities. Governmental activities of the Town also include the financing, construction of, and maintenance of governmental infrastructure constructed or acquired by the Town during the current year.

- Business-type activities – the Town charges a fee to customers to cover all or most of the cost of certain services it provides.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental or proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, *fund balance, whether assigned, committed or unassigned,* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the Town's major governmental funds, including the General Fund and the Conservation Trust Fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for this fund in the *basic financial statements* to demonstrate compliance with this budget.

Proprietary Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for goods and services. The Town utilizes two enterprise funds to account for water and sewer. The proprietary fund financial statements provide the same type of information as shown in the government-wide financial statements, only these statements provide a more detailed level of information.

Notes to Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplemental Information

In addition to the basic financial statements and accompanying notes, the report also presents certain supplementary information which is required to be disclosed by the *Governmental Accounting Standards Board* and other supplemental information presented for legal compliance and additional analysis.

Government-wide Financial Analysis

At the close of 2016, total net position was $31,409,022. The largest portion of net position is the investment in capital assets (net of related debt) of $19,127,905 (61% of net position). The amount reflects the investment of all capital assets (e.g. infrastructure, land, buildings and equipment), net of accumulated depreciation, less any debt used to acquire those assets that are still outstanding. The capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate those liabilities.

The following table summarizes the Town's governmental and business-type net position as of December 31, 2016.

	Governmental Activities	Business-type Activities	Total Primary
Current and other assets	$ 3,930,261	$ 10,048,474	$ 13,978,735
Capital assets	4,124,404	18,167,160	22,291,564
Total assets	8,054,665	28,215,634	36,270,299
Net pension asset	1,433	-	1,433
Deferred outflows of resources	178,861	172,088	350,949
Current and other liabilities	464,843	847,069	$ 1,311,912
Non-current liabilities	1,397,108	2,176,184	3,573,292
Total liabilities	1,861,951	3,023,253	4,885,204
Deferred inflows of resources	316,460	11,998	328,458
Net Position			
Net investment in capital assets	2,733,703	16,394,202	19,127,905
Restricted for emergencies	95,000	-	95,000
Restricted - contractual	1,761,817	356,329	2,118,146
Restricted for conservation trust	266,203	-	266,203
Restricted for bond debt service	-	164,800	164,800
Net pension asset	1,433	-	1,433
Unrestricted	1,198,393	8,437,142	9,635,535
Total net position	$ 6,056,549	$ 25,352,473	$ 31,409,022

Changes in Net Position

The Town's net position increased by $5,877,566 in 2016 for governmental and business-type activities.

	For the Year Ended December 31, 2016		
	Governmental Activities	Business-type Activities	Total Primary
Revenues			
Program revenues			
Charges for services	$ 1,178,526	$ 3,811,822	$ 4,990,348
Operating grants and contributions	59,806	2,424,796	2,484,602
Capital grants and contributions	1,081,529	933,656	2,015,185
General revenues			
Taxes/assessments	1,911,799	-	1,911,799
Interest earnings	6,214	7,803	14,017
Oil, gas, mineral, and other	324,524	25,732	350,256
Total revenues	4,562,398	7,203,809	11,766,207
Expenses			
General government	815,175	-	815,175
Public safety	798,468	-	798,468
Public works	587,128	-	587,128
Trash service	246,659	-	246,659
Water	-	1,467,864	1,467,864
Sewer	-	1,973,347	1,973,347
Total expenses	2,447,430	3,441,211	5,888,641
Change in net position	2,114,968	3,762,598	5,877,566
Beginning net position	3,941,581	21,589,875	25,531,456
Ending net position	$ 6,056,549	$ 25,352,473	$ 31,409,022

	For the Year Ended December 31, 2015		
	Governmental Activities	Business-type Activities	Total Primary
Revenues			
Program revenues			
Charges for services	$ 851,625	$ 3,183,694	$ 4,035,319
Operating grants and contributions	50,697	651,688	702,385
Capital grants and contributions	-	-	-
General revenues			
Taxes/assessments	1,603,992	-	1,603,992
Interest earnings	1,846	2,319	4,165
Oil, gas, mineral, and other	417,066	28,042	445,108
Total revenues	2,925,226	3,865,743	6,790,969
Expenses			
General government	519,627	-	519,627
Public safety	727,609	-	727,609
Public works	362,198	-	362,198
Trash service	206,312	-	206,312
Water	-	935,571	935,571
Sewer	-	1,474,499	1,474,499
Total expenses	1,815,746	2,410,070	4,225,816
Change in net position	1,109,480	1,455,673	2,565,153
Beginning net position, restated	2,832,101	20,134,202	22,966,303
Ending net position	$ 3,941,581	$ 21,589,875	$ 25,531,456

Governmental Activities

Governmental activities increased Lochbuie's net position by $2,114,968. The increase in revenue from 2015 to 2016 of $1,637,172 (56%) was primarily due to a capital grant of $1,081,529 (general fund portion) received from the state and increases in building permits and sales tax revenue. Expenses (government-wide) increased by $631,684, or 35%, from 2015 to 2016, primarily due to costs related to building inspection and public safety.

Business-type Activities

Business-type activities for the year resulted in an increase of net position by $3,762,598. Charges for services and other operating-related revenue increased from 2015 to 2016 by approximately $628,128, or 20%.

Financial Analysis of Government's Funds

Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2016, the Town's governmental funds reported a combined ending fund balance of $3,396,969.

The Town has two major governmental funds. They are the General and Conservation Trust Funds.

The General Fund is the primary operating fund for the Town of Lochbuie and reports a fund balance of $3,130,766 as of December 31, 2016. General Fund departments consist of Legislation, Administration, Police, Court and Public Works.

The Conservation Trust Fund had a total fund balance at the end of 2016 of $266,203. This fund accounts for State of Colorado lottery funds and is to be used for parks and recreation services and capital investment.

Proprietary Fund

The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements in more detail.

Capital Asset and Debt Administration

Capital Assets

The Town of Lochbuie's investment in capital assets for its governmental and business-type activities as of December 31, 2016 amounted to $22,291,564. The investment in capital assets includes land, buildings, building improvements, equipment and infrastructure, net of accumulated depreciation.

Long Term Debt

At the end of 2016, total bonded debt outstanding was $3,115,000. This debt represents $1,370,000 in general governmental obligation bonds and $1,745,000 in bonds secured solely by specific revenue sources (i.e., revenue bonds).

Economic Factors and Next Year's Budget and Rates

Beginning in 2001, the voters of Lochbuie endorsed an aggressive growth policy by approving General Fund debt for certain capital improvements. The debt was to be repaid through *ad valorum* taxes on an increasing number of residences.

The Budget for 2016 included these important features:

Continuation of Water and Waste Water maintenance and improvement projects

Continuation of expanded street improvement program

Public safety equipment.

Administrative Services

Town Administrator – The Town Administrator serves at the pleasure of the Board of Trustees. The Administrator is charged with ensuring that policies of the Board of Trustees are implemented and functions as the Chief of Staff for the Town Departments as well as serving as the Director of Public Safety, Building Official and Town Attorney liaison.

Town Clerk – The Town Clerk is the custodian of all the Town records, makes a record of Town Board meetings, and fulfills all the statutory duties of a Town Clerk and works as the Office Manager. They serve as an advisor to the Town Administrator and to the Board of Trustees. The Clerk oversees the Human Resources Department. This department maintains personnel records. The Clerk supervises the Court System and the Utility Billing System. The Clerk is a member of the Colorado Municipal Clerks Association.

Town Treasurer - The Town Treasurer is responsible for maintaining the financial records of the Town, prepares or causes to be prepared, the financial statements of the Town, maintains Town bank accounts and investment accounts, ensures that receivables and payables are transacted properly and advises the Town Administrator and the Board of Trustees as to the financial condition of the Town. The Treasurer oversees the work of the Accounts Payable, Purchasing and Payroll Departments and assists with the annual audit. Currently, the Treasurer is a certified public accountant contracting services to the Town.

Municipal Court – Lochbuie Municipal Court is a court of record. Court is conducted on the 2nd Friday of each month beginning at 8:30 am. Additional sessions of court are conducted as necessary based on case load or extraordinary circumstances. The court is presided over by a judge appointed to a two-year term as a part-time judge. The judge is relieved by an alternate judge in his absence. The judge is assisted by a Court Clerk, whose job is part-time. The person who serves as the Court Clerk also serves as Police Clerk. When Court is in session a bailiff is provided by the police department. One or more of the Administrative staff members assist in court sessions in various duties to assist the Clerk, the prosecutor and the judge. The Town employs a law firm to serve as prosecutors. Translation services are routinely provided by a part-time translator and by bi-lingual, Spanish-speaking staff members.

Building Department – The Building Department manages the construction activities in the Town including infrastructure inspections, building permits, building inspections and utility installation. The department also includes the planning commission whose activities include review of all proposed development, proposed zoning changes, master plan development and review, parks and recreation planning, traffic planning and general municipal engineering matters. The majority of the Department's functions are contracted out to qualified contractors. The Planning Commission meets as required and the staff and contractors supports the commission activities.

Public Works – The Director of Public Works supervises the Public Works Department. The department manages all water, waste water, storm water, streets and parks functions. The operation of the water and waste water facilities and all required services for the operation thereof are managed by an Operator in Responsible Charge (ORC). In 2016, a staff of 2 FTEs provides all street cleaning, plowing and minor repair services, water meter repair and maintenance, meter reading, water and sewer line repair and maintenance, parks maintenance and construction.

Police – The Police Department is staffed by a full-time Chief, eight patrol officers and a full-time clerk. Code enforcement functions are performed by an independent contractor.

Fire Protection – Fire protection is provided by the Hudson Fire Protection District in part of the Town and the Greater Brighton Fire Protection District in part. Hudson is an all-volunteer department while Brighton is a combination paid-volunteer department.

Emergency Medical Services – Ambulance service is provided by Platte Valley Ambulance, based at Brighton's Platte Valley Medical Center and secondary EMS transport is provided by Weld County Paramedics. The ambulance is supported by the appropriate fire department.

Trash Service – Solid waste management is provided by the Town through a contract trash hauling company. Fees for this service are collected with the utility bills.

Request for Information

This financial report is designed to provide a general overview of the Town of Lochbuie's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

Steve Stamey
Town Administrator
Town of Lochbuie
703 WCR 37
Lochbuie, CO 80603

Roster of Town Officials

BASIC FINANCIAL STATEMENTS

Town of Lochbuie, Colorado

STATEMENT OF NET POSITION

December 31, 2016

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash and investments	$ 1,502,534	$ 9,214,229	$ 10,716,763
Cash and investments - restricted	1,619,314	164,800	1,784,114
Accounts receivable	24,372	313,116	337,488
Grants receivable	409,970	356,329	766,299
Due from other governments	29,798	-	29,798
Prepaid expenses	1,515	-	1,515
Property taxes receivable	342,758	-	342,758
Total current assets	3,930,261	10,048,474	13,978,735
Capital Assets			
Nondepreciable	116,698	828,538	945,236
Depreciable, net	4,007,706	17,338,622	21,346,328
Total capital assets	4,124,404	18,167,160	22,291,564
Total assets	8,054,665	28,215,634	36,270,299
Net Pension Asset	1,433	-	1,433
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflow	178,861	172,088	350,949
Total deferred outflows of resources	178,861	172,088	350,949
LIABILITIES			
Current Liabilities			
Accounts payable and other liabilities	223,530	721,106	944,636
Accrued interest payable	2,952	2,868	5,820
Compensated absences	27,654	5,944	33,598
Current portion - bonds	210,707	117,151	327,858
Total current liabilities	464,843	847,069	1,311,912
Long-Term Liabilities			
Net pension liability	217,114	520,376	737,490
Bonds payable	1,179,994	1,655,808	2,835,802
Total long-term liabilities	1,397,108	2,176,184	3,573,292
Total liabilities	1,861,951	3,023,252	4,885,203
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	309,762	-	309,762
Pension related deferred inflow	6,698	11,998	18,696
Total deferred inflows of resources	316,460	11,998	328,458
NET POSITION			
Net investment in capital assets	2,733,703	16,394,202	19,127,905
Restricted			
Emergency reserves	95,000	-	95,000
Contractual	1,761,817	356,329	2,118,146
Conservation trust	266,203	-	266,203
Bond debt services	-	164,800	164,800
Net pension asset	1,433	-	1,433
Unrestricted	1,198,393	8,437,142	9,635,535
Total net position	$ 6,056,549	$ 25,352,473	$ 31,409,022

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

		Program Revenue			Net (Expense) Revenue and Changes in Net Position - Primary Government		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**
Primary government							
Governmental activities							
General government - Legislative	$ 23,961	$ -	$ -	$ -	$ (23,961)	$ -	$ (23,961)
General government - Judicial	14,042	-	-	-	(14,042)	-	(14,042)
General government - Administrative	744,439	846,069	-	1,081,529	1,183,159	-	1,183,159
Public safety - Police	798,468	68,870	-	-	(729,598)	-	(729,598)
Public works - Streets	463,834	-	-	-	(463,834)	-	(463,834)
Public works - Parks	83,291	-	59,806	-	(23,485)	-	(23,485)
Public works - Maintenance	40,003	-	-	-	(40,003)	-	(40,003)
Trash service	246,659	263,587	-	-	16,928	-	16,928
Interest on long-term debt and related costs	32,734	-	-	-	(32,734)	-	(32,734)
Total governmental activities	2,447,430	1,178,526	59,806	1,081,529	(127,569)	-	(127,569)
Business-type activities							
Water operations	1,467,864	2,131,554	1,525,920	466,828	-	2,656,438	2,656,438
Sewer operations	1,973,347	1,680,268	898,876	466,828	-	1,072,625	1,072,625
Total buisiness-type activities	3,441,211	3,811,822	2,424,796	933,656	-	3,729,064	3,729,064

	Governmental Activities	Business-Type Activities	Total
General revenues:			
Taxes:			
Property taxes	349,898	-	349,898
Specific ownership taxes	19,603	-	19,603
Sales and use tax	1,245,035	-	1,245,035
Franchise taxes	139,346	-	139,346
Highway user taxes	157,917	-	157,917
Interest income	6,214	7,803	14,017
Other	324,524	25,732	350,256
Total general revenues	2,242,537	33,534	2,276,071
Change in net position	2,114,968	3,762,598	5,877,566
Net position - beginning	3,941,581	21,589,875	25,531,456
Net position- ending	$ 6,056,549	$ 25,352,473	$ 31,409,022

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2016

	General Fund	Conservation Trust	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,854,381	$ 267,467	$ 3,121,848
Accounts receivable	24,372	-	24,372
Grants receivable	409,970		
Due from other governments	29,798		
Prepaid expenses	1,515	-	1,515
Property taxes receivable	342,758	-	342,758
Total assets	3,662,794	267,467	3,490,493
LIABILITIES			
Accounts payable and payroll liabilities	222,266	1,264	223,530
Total liabilities	222,266	1,264	223,530
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	309,762	-	309,762
Total deferred inflows of resources	309,762	-	309,762
FUND BALANCES			
Nonspendable	1,515	-	1,515
Restricted for:			
Emergencies	95,000	-	95,000
Contractual	1,761,817	-	1,761,817
Conservation trust	-	266,203	266,203
Assigned for:			
School building	633,606	-	633,606
Insurance deductible	29,142	-	29,142
Unassigned	609,686	-	609,686
Total fund balances (deficit)	3,130,766	266,203	3,396,969
Total liabilities, deferred inflows of resources and fund balances	$ 3,662,794	$ 267,467	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. However, in the statement of net position, the cost of these assets are capitalized and expenses over their estimated lives through annual depreciation expense.	
Cost of capital assets, net of accumulated depreciation	4,124,404
Net pension asset	1,433
Deferred outflows and inflows of resources that represent acquisition or consumption of net position that applies to future periods and , therefore, are not reported in the funds.	
Deferred outflows- pension plan	178,861
Deferred inflows- pension plan	(6,698)
Long-term liabilities, including retirement of debt, are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest payable	(2,952)
Compensated absences	(27,654)
Net pension liability	(217,114)
Bonds payable, net	(1,390,701)
Net position of governmental activities	$ 6,056,549

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	General Fund	Conservation Trust	Total Governmental Funds
REVENUES			
Property taxes	$ 349,898	$ -	$ 349,898
Specific ownership taxes	19,603	-	19,603
Sales and use taxes	1,245,035	-	1,245,035
Franchise taxes	139,346	-	139,346
Other taxes	157,917	-	157,917
Intergovernmental	-	59,806	59,806
Licenses, permits and fees	846,069	-	846,069
Fines and forfeitures	68,870	-	68,870
Grants	1,081,529		1,081,529
Interest earned	3,762	2,452	6,214
Trash service revenues	263,587	-	263,587
Oil, gas, mineral and other income	324,524	-	324,524
Total revenues	4,500,140	62,258	4,562,398
EXPENDITURES			
Current:			
General government - Legislative	23,961	-	23,961
General government - Judicial	14,042	-	14,042
General government - Administration	622,419	-	622,419
Public safety - Police	887,245	-	887,245
Public works - Streets	373,366	-	373,366
Public works - Parks	34,073	29,640	63,713
Public works - Maintenance	40,003	-	40,003
Trash services	246,659	-	246,659
Debt Service:			
Principal	200,000	-	200,000
Interest and other charges	39,419	-	39,419
Capital Outlay	2,097,510		2,097,510
Total expenditures	4,578,697	29,640	4,608,337
Net change in fund balances	(78,557)	32,618	(45,939)
Fund balances - beginning	3,209,323	233,585	3,442,908
Fund balances - ending	$ 3,130,766	$ 266,203	$ 3,396,969

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds:	$	(45,939)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense		(164,839)
Capital outlay		2,109,510
The repayment of long-term debt (e.g. bonds, leases) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		200,000
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Accrued interest payable - change		333
Net pension liability and related amounts - change		19,393
Accrued compensated absences - change		(9,843)
Bond premium amortization		6,352
Change in net position of governmental activities	$	2,114,968

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Property taxes	$ 338,417	$ 338,417	$ 349,898	$ 11,481
General sales and use taxes	929,391	929,391	1,223,994	294,603
Franchise taxes	130,800	130,800	139,346	8,546
Specific ownership tax	23,000	23,000	19,603	(3,397)
Intergovernmental:				
Highway user tax	149,580	149,580	156,749	7,169
Motor vehicle tax	15,000	15,000	21,041	6,041
Others	700	700	1,168	468
Licenses and permits:				
Building permits	225,375	225,375	408,987	183,612
General business licenses	5,750	5,750	10,390	4,640
Animal licenses	900	900	675	(225)
Public right of way permit	20,000	20,000	135	(19,865)
Fees:				
School contribution fees	151,500	151,500	187,000	35,500
Plan review fees	15,000	15,000	57,483	42,483
Administrative fees and services	25,000	25,000	52,677	27,677
Infrastructure fees	37,500	37,500	46,800	9,300
Interstate exchange fees	60,000	60,000	66,200	6,200
Inspection fees	200	200	1,084	884
Other fees	9,950	9,950	14,638	4,688
Fines and forfeitures	79,500	79,500	68,870	(10,630)
Grants	-	2,000,000	1,081,529	(918,471)
Interest earned	500	500	3,762	3,262
Trash service revenues	235,000	235,000	263,587	28,587
Other income	185,515	185,515	324,524	139,009
Total revenues	2,638,578	4,638,578	4,500,140	(138,438)
Expenditures				
General government - Legislative	27,916	27,916	23,961	3,955
General government - Judicial	21,875	21,875	14,042	7,833
General government - Administration	688,031	688,031	622,419	65,612
Public safety - Police	788,819	788,819	887,245	(98,426)
Public works - Streets	551,408	551,408	373,366	178,042
Public works - Parks	42,273	42,273	34,073	8,200
Public works - Maintenance	55,673	55,673	40,003	15,670
Public works - Capital outlay	-	-	-	-
Trash services	205,000	205,000	246,659	(41,659)
Debt Service:				
Principal	200,000	200,000	200,000	-
Interest and other charges	39,419	39,419	39,419	-
Capital Outlay	1,150,000	2,200,000	2,097,510	102,490
Total expenditures	3,770,414	4,820,414	4,578,697	241,717
Change in fund balance	(1,131,836)	(181,836)	(78,557)	103,279
Fund balance - beginning of year	1,854,008	2,712,052	3,209,323	497,271
Fund balance- end of year	$ 722,172	$ 2,530,216	$ 3,130,766	$ 600,550

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENTS OF NET POSITION
ENTERPRISE FUNDS

December 31, 2016

	Water	Sewer	Total
ASSETS			
Current Assets			
Cash and investments	$ 6,092,749	$ 3,121,480	$ 9,214,229
Cash and investments - restricted	164,800	-	164,800
Accounts receivable	121,184	191,933	313,116
Grant receivable	178,164	178,165	356,329
Prepaid expenses	-	-	-
Total current assets	6,556,897	3,491,578	10,048,474
Capital Assets			
Nondepreciable	572,140	256,399	828,538
Depreciable, net	6,546,224	10,792,398	17,338,622
Total capital assets	7,118,364	11,048,797	18,167,160
Total assets	13,675,260	14,540,375	28,215,635
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflow	85,556	86,532	172,088
Total deferred outflows of resources	85,556	86,532	172,088
LIABILITIES			
Current Liabilities			
Accounts payable and other liabilities	191,267	529,839	721,106
Accrued interest payable	2,868	-	2,868
Compensated absences	2,972	2,972	5,944
Current portion - bonds	117,151	-	117,151
Total current liabilities	314,258	532,811	847,069
Long-Term Liabilities			
Net pension liability	258,712	261,664	520,376
Bonds payable	1,655,808	-	1,655,808
Total long-term liabilities	1,914,520	261,664	2,176,184
Total liabilities	2,228,777	794,475	3,023,252
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflow	5,965	6,033	11,998
Total deferred inflows of resources	5,965	6,033	11,998
NET POSITION			
Net investment in capital assets	5,345,405	11,048,797	16,394,202
Restricted for bond debt service	164,800	-	164,800
Restricted for capital outlay	178,164	178,165	356,329
Unrestricted	5,837,705	2,599,437	8,437,142
Total net position	$ 11,526,074	$ 13,826,399	$ 25,352,473

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS

For the Year Ended December 31, 2016

	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	$ 2,057,475	$ 687,890	$ 2,745,365
Other	74,079	992,378	1,066,457
Total operating revenues	2,131,554	1,680,268	3,811,822
OPERATING EXPENSES			
Operating expenses	812,771	907,148	1,719,918
Administrative expenses	392,572	228,670	621,242
Depreciation	216,675	197,841	414,516
Total operating expenses	1,422,017	1,333,659	2,755,676
OPERATING INCOME (LOSS)	709,537	346,609	1,056,146
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	4,739	3,064	7,803
Other non-operating income	25,732	-	25,732
Payments to other governments	-	(639,688)	(639,688)
Grant income	466,828	466,828	933,656
Interest expense	(45,847)	-	(45,847)
Total nonoperating revenues (expenses)	451,452	(169,796)	281,656
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	1,160,989	176,813	1,337,802
CAPTIAL CONTRIBUTIONS			
Tap Fees/PIFs	1,525,920	898,876	2,424,796
CHANGE IN NET POSITION	2,686,909	1,075,689	3,762,598
NET POSITION - beginning of the year	8,839,165	12,750,710	21,589,875
NET POSITION - end of the year	$ 11,526,074	$ 13,826,399	$ 25,352,473

The accompanying Notes to the Financial Statements are an integral part of these statements.

Town of Lochbuie, Colorado

STATEMENTS OF CASH FLOWS
ENTERPRISE FUNDS

For the Year Ended December 31, 2016

	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 2,123,765	$ 1,664,883	$ 3,788,647
Payments to suppliers for goods and services	(1,003,912)	(837,221)	(1,841,133)
Payments to employees for services	(153,935)	(133,119)	(287,054)
Net cash provided (used) by operating activities	965,918	694,543	1,660,460
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Tap fees/PIFS	1,525,920	898,876	2,424,796
Grant receipts	288,664	288,663	577,327
Payments to other governments	-	(639,688)	(639,688)
Acquisition of capital assets	(925,605)	(978,174)	(1,903,779)
Principal payments	(115,000)	-	(115,000)
Interest paid on debt	(48,188)	-	(48,188)
Net cash provided (used) by capital and related financing activities	725,791	(430,323)	295,469
CASH FLOWS FROM INVESTING ACTIVITIES			
Other income	25,732	-	25,732
Interest earnings received	4,739	3,064	7,803
Net cash provided (used) by investing activities	30,471	3,064	33,534
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,722,180	267,283	1,989,463
CASH AND CASH EQUIVALENTS - beginning of year	4,535,370	2,854,197	7,389,567
CASH AND CASH EQUIVALENTS - end of year	$ 6,257,550	$ 3,121,480	$ 9,379,030
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 709,537	$ 346,609	$ 1,056,146
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	216,675	197,841	414,516
Change in net pension liability and related amounts	14,826	(18,331)	(3,505)
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(7,790)	(15,386)	(23,175)
Prepaid expenses	392	394	786
Increase (decrease) in:			
Accounts payable	32,629	183,767	216,396
Accrued absences	(352)	(352)	(704)
Net cash provided (used) by operating activities	$ 965,918	$ 694,543	$ 1,660,460
Cash and cash equivalents	$ 6,092,749	$ 3,121,480	$ 9,214,229
Restricted cash and cash equivalents	164,800	-	164,800
Total cash and cash equivalents	$ 6,257,549	$ 3,121,480	$ 9,379,029

The accompanying Notes to the Financial Statements are an integral part of these statements.

Note 1 Definition of reporting entity

The Town was organized as a statutory Town in Colorado by court order in 1974. The Town provides general government, public works (roads and streets), police, water, and sewer for the geographical area organized as the Town.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

Note 2 Summary of significant accounting policies

The more significant accounting policies of the Town are described as follows:

Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial and capital resources of the Town. The difference between the assets and liabilities and deferred inflows of resources of the Town is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Town follows Governmental Accounting Standards Board pronouncements in the proprietary fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures, other than interest on long-term obligations, generally are recorded when the liability is incurred or the long-term obligation is paid.

The Town reports the following major governmental funds:

General Fund - The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, which include the following departments: Legislative, Judicial, Administrative, Public Safety-Police, Community Development, and Public Works.

Conservation Trust Fund – The Conservation Trust Fund accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

The Town reports the following major proprietary funds:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Enterprise Funds consist of the Water Utility and the Sewer Utility. The Water Utility provides both potable and non-potable (irrigation) water to the Town's citizens, while the Sewer Utility provides sanitation services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for water and sewer service. Operating expenses include the costs of the services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or capital contributions.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash Equivalents

For the purpose of the statement of cash flows of the enterprise funds, cash and cash equivalents include operating and restricted cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Town are reported at fair value.

Accounts receivable, allowance for doubtful accounts

User fees and tap fees constitute a perpetual lien on or against property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

Property taxes

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June.

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years and for which the initial, individual value equals or exceeds the following dollar amounts:

Asset Class	Dollar Value
Land	No Minimum
Buildings	No Minimum
Building and Other Improvements	$ 5,000
Furniture and Equipment	$ 5,000
Infrastructure	$ 5,000

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Useful Life
Buildings	40 years
Building and Other Improvements	20 years
Water and Sewer Systems	25 - 35 years
Furniture and Equipment	5 – 30 years
Infrastructure	15 – 40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Pooled Cash and investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based on each fund's average equity balance in total cash.

Compensated absences

It is the Town's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. These benefits accrue together as Paid Time Off (PTO). PTO accrues to a maximum of 180 hours, depending on length of employment. Compensated absences are recorded as current salary cost when paid in government funds, and is accrued in the enterprise fund.

Contributed capital

Tap fees are generally recorded as capital contributions when received.

Fund Equity

In order to more clearly define fund balance categories and to describe the nature and extent of the constraints placed on the Town's fund balances, the fund financial statements may include any or all of the following classifications to describe the relative strength of spending constraints.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the Board of Trustees prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Town Board.

Assigned fund balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Town

Board to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria.

If more than one classification of fund balance is available for use when expenditure is incurred, it is the Town's policy to use the most restrictive classification first.

At December 31, 2016, the Town had $95,000 restricted by legislation (for emergencies), $266,203 restricted for parks and recreation (Conservation Trust), $409,970 restricted contractually for capital improvements, and $1,351,847 restricted contractually pending the outcome of litigation.

At December 31, 2016, the Town had $633,606 assigned balances for a future school building and $29,142 for the Town's insurance deductible.

The remaining fund balance is considered by the Town to be unassigned. At December 31, 2016, the Town had an unassigned fund balance in the general fund of $609,686.

Budgets

In accordance with the State Budget Law, the Town's Board of Trustees holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The Town's Board of Trustees can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that District management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3 Cash and Investments

Cash and investments are reflected on the December 31, 2016 Statement of Net Position as follows:

Cash and investments	$ 10,716,763
Cash and investments-restricted	1,784,114
Total cash and investments	$ 12,500,877

Cash and investments as of December 31, 2016 consist of the following:

Cash on hand	$ 1,295
Deposits with financial institutions	11,187,909
Investments	1,311,673
Total cash and investments	$ 12,500,877

At December 31, 2016, the Town's cash deposits had bank balances of $11,234,139 and carrying balances of $11,187,909.

Deposits with financial institutions

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. As of December 31, 2016, the federal insurance limit was $250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s cash deposit and investment policy adopts state statutes regarding custodial credit risk for deposits. As of December 31, 2016, the Town’s bank balances and carrying balances were insured or collateralized as follows:

Bank balances	
Federally insured	$ 500,000
Collateralized	10,734,139
Total bank balances	$ 11,234,139
Carrying balances	
Federally insured	$ 500,000
Collateralized	10,687,909
Total carrying balances	$ 11,187,909

Investments

The Town's investment policy adopts state statutes regarding investments.

The Town primarily limits its investments to local government investments pools and money market funds, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain securities lending agreements
- Certain certificates of participation
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

Fair Value Measurement and Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments not measured at fair value and not categorized include governmental money market funds (PFM Funds Governmental Select series); money market funds (generally held by Bank Trust Departments in their role as paying agent or trustee); and CSAFE which record their investments at amortized costs.

The District has invested in COLOTRUST, an external investment pool that records its investments at fair value and measures fair value using Level 2 inputs.

The local government investment pools, which include the Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (Colotrust), are both rated AAAm by Standard & Poor's.

As of December 31, 2016, the Town had the following investments, recorded at fair value:

Investment	Maturity	
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	$ 1,311,673

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. Colotrust is rated AAAm by Standard & Poor's.

Restricted cash and investments

As of December 31, 2016, $164,800 was held in trust and restricted for the required reserve securing the Water Revenue Refunding and Improvement Bonds, Series 2012. $267,467 was restricted for parks and recreation expenditures as required for conservation trust proceeds. $1,351,847 was restricted per agreement pending outcome of litigation.

Note 4 Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance at December 31, 2015	Additions	Deletions	Balance at December 31, 2016
Governmental activities				
Capital assets, not being depreciated				
Land	$ 116,698	$ -	$ -	$ 116,698
Construction in process	52,447	-	52,447	-
Total capital assets, not being depreciated	169,145	-	52,447	116,698
Capital assets being depreciated				
Buildings	161,396	2,149,957	-	2,311,353
Parks	391,555	-	-	391,555
Streets	2,714,043	-	-	2,714,043
Infrastructure	142,809	-	-	142,809
Equipment	963,724	12,000	-	975,724
Total capital assets being depreciated	4,373,527	2,161,957	-	6,535,484
Less accumulated depreciations for				
Buildings	161,396	1,345	-	162,741
Parks	198,531	19,578	-	218,109
Streets	1,153,467	90,468	-	1,243,935
Infrastructure	77,077	4,760	-	81,837
Equipment	772,468	48,688	-	821,156
Total accumulated depreciation	2,362,939	164,839	-	2,527,778
Total capital assets being depreciated, net	2,010,588	1,997,118	-	4,007,706
Capital assets, net	$ 2,179,733	$ 1,997,118	$ 52,447	$ 4,124,404

Depreciation expenses of governmental activities were charged to the following functions:

Function	Amount
General government - administrative	$ 24,768
Public safety - police	30,025
Public works - streets	90,468
Public works - parks	19,578
	$ 164,839

	Balance at December 31, 2015	Additions	Deletions	Balance at December 31, 2016
Business-type activities				
Capital assets, not being depreciated				
Land	$ 318,851	$ -	$ -	$ 318,851
Water rights	509,688	-	-	509,688
Construction in progress	404,571	-	404,571	-
Total capital assets, not being depreciated	828,539	-	-	828,539
Capital assets being depreciated				
Building improvements	30,112	-	-	30,112
Building	-	2,227,640	-	2,227,640
Plant	16,858,794	-	-	16,858,794
Line and connections	3,502,263	-	-	3,502,263
Equipment	461,072	80,709	-	541,781
Meters	58,256	-	-	58,256
Vehicles	5,023	-	-	5,023
Total capital assets being depreciated	20,915,520	2,308,349	-	23,223,869
Less accumulated depreciations for				
Building improvements	22,712	1,372	-	24,084
Building	-	28,559	-	28,559
Plant	3,794,833	294,568	-	4,089,401
Line and connections	1,065,581	90,017	-	1,155,598
Equipment	503,487	-	-	503,487
Meters	79,096	-	-	79,096
Vehicles	5,023	-	-	5,023
Total accumulated depreciation	5,470,732	414,516	-	5,885,248
Total capital assets being depreciated, net	15,444,788	1,893,833	-	17,338,621
Capital assets, net	$ 16,273,327	$ 1,893,833	$ -	$ 18,167,160

Depreciation expenses of business-type activities were charged to the following functions:

Function	Amount
Water operations	$ 216,675
Sewer operations	197,841
	$ 414,516

Note 5 Long-Term Liabilities

The following is a summary of the changes in long-term liabilities of the Town for the year ended December 31, 2016:

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
Governmental activities					
2012 G. O. Refunding Bonds	$ 1,570,000	$ -	$ 200,000	$ 1,370,000	$ 205,000
Bond premium	27,053	-	6,352	20,701	5,707
	1,597,053	-	206,352	1,390,701	210,707
Business-type activities					
Revenue bonds					
2012 Water	1,860,000	-	115,000	1,745,000	115,000
Notes					
2004 Revenue	-	-	-	-	-
	1,860,000	-	115,000	1,745,000	115,000
Bond premium	30,110	-	2,151	27,959	2,151
	$ 1,890,110	$ -	$ 117,151	$ 1,772,959	$ 117,151

Bonds Payable

General Obligation Bonds, Series 2012, dated November 20, 2012

The bonds, in the original amount of $2,140,000, mature on December 1, 2022 with annual mandatory sinking fund principal payments due on each December 1. Interest at rates ranging from 2% to 3% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, on December 1, 2019 and on any date thereafter, without redemption premium. The bonds were issued to refund the Series 2002 G.O. Bonds.

Water Revenue Refunding Bonds, Series 2012, dated November 20, 2012

The bonds, in the original amount of $2,180,000, mature annually on December 1 through December 1, 2029. Interest at the initial and current rate of 2% to 3% is payable on June 1 and December 1 each year. The bonds are subject to redemption prior to maturity, at the option of the Town, at any time on and after December 1, 2020, at the redemption price, plus accrued interest. The bonds were issued to refund the Series 1997 and 2007 Revenue and Improvement Bonds.

The bonds require the Town to maintain a reserve in the amount of $164,800. At December 31, 2016, the cash restricted for the bond reserve was $164,800.

Debt maturities

The obligations of the governmental activities mature as follows:

Year Ended December 31,	Principal	Interest	Total
2017	$ 205,000	$ 35,419	240,419
2018	220,000	31,319	251,319
2019	225,000	26,919	251,919
2020	235,000	21,013	256,013
2021	240,000	14,550	254,550
2022	245,000	7,350	252,350
	$ 1,370,000	$ 136,570	$ 1,506,570

The obligations of the business-type activities mature as follows:

Year Ended December 31,	Principal	Interest	Total
2017	$ 115,000	$ 45,888	$ 160,888
2018	120,000	53,588	173,588
2019	120,000	41,188	161,188
2020	125,000	38,788	163,788
2021	125,000	35,663	160,663
2022 - 2026	680,000	127,657	807,657
2027 - 2031	460,000	27,900	487,900
	$ 1,745,000	$ 370,672	$ 2,115,672

Debt authorization

As of December 31, 2016, the Town had no authorized but unissued debt.

Note 6 **<u>Net Position</u>**

The Town has net position consisting of three components –net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, loans, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2016, the Town had net investment in capital assets as follows:

	Governmental Activities	Business-type Activities
Capital assets, net	$ 4,124,404	$ 18,167,160
Current portion of long-term debt	(210,707)	(117,151)
Long-term debt due in more than one year	(1,179,994)	(1,655,808)
Net investment in capital assets	$ 2,733,703	$ 16,394,202

Restricted position includes net position that is restricted for use either externally imposed by creditors, net grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. As of December 31, 2016, the Town had restricted net position as follows:

	Governmental Activities	Business-type Activities
Emergency reserves (see Note 11)	95,000	-
Conservation trust	266,203	-
Reserve pending litigation outcome	1,351,847	-
Grants receivable restricted for capital outaly	409,970	356,329
Net pension asset	1,433	-
Bond debt service (see Note 5)	-	164,800
Restricted net position	$ 2,124,453	$ 521,129

As of December 31, 2016, the Town had unrestricted net position of $1,198,393 in governmental activities and unrestricted net position in business-type activities of $8,437,142.

Note 7 State Fire and Police Pension Plan (FPPA)

Plan Description

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan (excluding the Chief of Police). The cost to administer the plan is financed through the contributions and investment earnings of the plan. Colorado Statutes assign the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Statewide Defined Benefit Plan, the Statewide Money Purchase Plan and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area or can be obtained at www.fppaco.org.

Pension Benefits

On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions

The Statewide Defined Benefit Plan (Plan) sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. Members of this Plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022. Employer and member contributions are invested in funds at the discretion of members.

Contributions to the Plan from the Town were $52,131 for the year ended December 31, 2016.

Pension Liabilities and Pension Expense Related to Pensions

At December 31, 2016, the Town reported an asset of $1,433 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At December 31, 2015, the Town's proportion was.081311 percent, which was an increase of .007 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the Town recognized additional FPPA pension expense of $(106,802).

Actuarial Assumptions

The total pension asset in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	2.5 percent

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%
Total	100%	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2015, are summarized in the above table.

Discount rate

The discount rate used to measure the total pension asset was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

Sensitivity of the Town's proportionate share of the net pension liability / (asset) to changes in the discount rate

The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability / (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
Town's proportionate share of the net pension liability/(asset)	$ 200,797	$ (1,433)	$ (169,177)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the FPPA's comprehensive annual report which can be obtained at www.fppaco.org/toc_frames.html.

Note 8 Defined Benefit Pension Plan - PERA

Summary of Significant Accounting Policies

Pensions. The Town participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. Eligible employees of the Town are provided with pensions through the Local Government Division Trust Fund (LGDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increase in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007, receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit (structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and the Town are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq*. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	Rate
Employer Contribution Rate[1]	10.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) [1]	(1.02)%
Amount Apportioned to the LGDTF[1]	8.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	1.50%
Total Employer Contribution Rate to the LGDTF[1]	12.68%

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were $62,725 for the year ended December 31, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016, the Town reported a liability of $737,491 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on District contributions to the LGDTF for the calendar year 2015 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2015, the District's proportion was .066948 percent, which was an increase of .0082 percent from its proportion measured as of December 31, 2014.

For the year ended December 31, 2016, the District recognized additional PERA pension expense of $(67,548). At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,533	$ (25)
Changes in assumptions or other inputs	-	(13,508)
Net difference between projected and actual earnings on pension plan investments	141,972	-
Changes in porportion and differences between contributions recognized and proprotionate share of contributions	38,330	(3,470)
Contributions subsequent to the measurement date	58,052	-
Total	243,887	(17,003)

$58,052 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.85 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The LGDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	**Target Allocation**	**10 Year Expected Geometric Real Rate of Return**
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	1,130,648	737,491	411,405

Pension plan fiduciary net position. Detailed information about the LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 9 Intergovernmental Agreements

Economic Development Incentive Agreement

The Town entered into an Economic Development Incentive Agreement, effective December 2, 2009, with a developer of a retail center to be built within the Town limits. Pursuant to the agreement, the Town is required to deposit a portion of the sales tax that it receives on behalf of the retail center, as calculated below, into a Tax Allocation Fund.

Revenue Sharing Periods	Percentage Allocation
Period 1: 1st 12 months of receipt of Project Tax Revenue	50%
Period 2: 2nd 12 month period thereafter	50%
Period 3: 3rd 12 month period thereafter	40%
Period 4: 4th 12 month period thereafter	30%

The Town will reimburse the developer, to the extent of the Tax Allocation Fund, for any cost associated with public improvements. As of December 31, 2016, no deposits had been made to the Tax Allocation Fund.

Henry Reservoir Agreement

On December 23, 2013, the Town entered into an agreement with Sand Hills Metropolitan District (the District), for purposes of restoration of the Henry Reservoir. The District contributed $1,350,000 (the Funds) to the Town, based on a preliminary report prepared by the District, for purposes of repairing and restoring the Reservoir and the surrounding area. The Town is required to advertise and/or award a public contract for construction of repairs prior to June 1, 2017. If the Town fails to award a contract for repairs by that date, any unspent funds must be returned to the District. All repairs shall be completed to a level which meets water storage obligations owed to the Farmers Reservoir and Irrigation Company (FRICO), who currently owns the land that includes the Reservoir. The Town is required to submit evidence of costs of construction to the District as funds are spent. The Town is responsible for costs in excess of $1,350,000, however the Town may retain unspent funds after construction is complete.

In 2014, the Town was added as a defendant to an amended complaint (the Complaint) filed against the Town, the District, a Water and Sanitation District, Weld County, and the State of Colorado. Weld County and the State of Colorado were since dismissed from the lawsuit. The plaintiffs assert that the Town exceeded its jurisdiction and abused its discretion in approving an amended service plan for the District. The complaint asks the Court to issue a preliminary and permanent injunction against the Town and the Water and Sanitation District, asking each to return funds received from the District. The Town and the Plaintiffs have entered into an Agreement to Hold Funds, pursuant to which the Town deposited all funds into a separate savings account. If the Court enters an order or judgment requiring the Town to return the funds, the agreement requires the Town to return all funds with interest. On

March 19, 2015, the trial court entered an order on summary judgment motions in favor of the plaintiff, but not addressing the Funds. The District filed an appeal to the Colorado Court of Appeals. In 2016, the Court of Appeals held that the District did not have proper authority to amend its service plan, and therefore did not have taxing authority. The Appeals Court did not address the Funds. The District has filed a petition for a writ of certiorari with the Colorado Supreme Court, and the Plaintiffs files a cross petition. The Colorado Supreme Court has not ruled as of the date of the auditor’s report on the financial statements. The Town continues to hold the Funds in a segregated account pending the final outcome of the case. The Funds, plus interest, are reflected as restricted cash and restricted net position (“Contractual”) in the financial statements.

Note 10 Risk Management

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a joint self-insurance pool created by intergovernmental agreement of over 200 municipalities to provide property, general and automobile liability, and public officials’ coverage to its members. CIRSA is governed by a seven-member board elected by and from among its members. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool for the past three years.

Note 11 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town’s management believes the Enterprise funds of the Town qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualification as an Enterprise will require judicial interpretation.

The Town passed a ballot question on November 5, 1996. The ballot question permitted the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding any state restrictions of Article X, Section 20, of the Colorado Constitution, and spend as a voter-approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services. In 2016, the Town received notification from the State of Colorado Department of Local Affairs that they have determined that the ballot question language is not sufficient to remove the Town from the statutory property revenue tax limitation of 5.5%.

Note 12 Contingencies

Claims and Judgments – The Town participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. As of December 31, 2016, grant expenditures had not been audited, but the Town believes that any future audits will not discover disallowed expenditures that would have a material effect on any of the individual governmental funds or the overall financial position of the Town.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

Town of Lochbuie, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CONSERVATION TRUST FUND

For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual	Variance Final Budget - Favorable (Unfavorable)
Revenues			
Intergovernmental	$ 40,000	$ 59,806	$ 19,806
Interest earnings	250	2,452	2,202
Total revenues	40,250	62,258	22,008
Expenditures			
Parks, recreation and improvements	246,423	29,640	216,783
Total expenditures	246,423	29,640	216,783
Excess of revenues over (under) expenditures	(206,173)	32,618	238,791
Fund balance - beginning of year	233,589	233,585	(4)
Fund balance - end of year	$ 27,416	$ 266,203	$ 238,787

TOWN OF LOCHBUIE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)
STATE FIRE AND POLICE PENSION PLAN (FPPA)

	2016	2015	2014
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY			
Town's Proportion of the Net Pension (Asset)	0.08131134%	0.07385682%	0.06857293%
Town's Proportionate Share of the Net Pension (Asset)	$ (1,433)	$ (83,353)	$ (61,317)
Town's Covered-Employee Payroll	$ 393,262	$ 332,133	$ 297,842
Town's Proportionate Share of the Net Pension (Asset) as a Percentage of Covered-Employee Payroll	0.36%	25.10%	20.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.1%	106.8%	105.8%

TOWN OF LOCHBUIE
SCHEDULE OF TOWN CONTRIBUTIONS
STATE FIRE AND POLICE PENSION PLAN (FPPA)

	2016	2015	2014
TOWN CONTRIBUTIONS			
Statutorily Required Contribution	$ 31,534	$ 26,571	$ 23,827
Contributions in Relation to the Statutorily Required Contribution	31,534	26,571	23,827
Contribution Deficiency (Excess)	$ -	$ -	$ -
Town's Covered-Employee Payroll	$ 393,262	$ 332,133	$ 297,842
Contributions as a Percentage of Covered-Employee Payroll	8.0%	8.0%	8.0%

These schedules are presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

TOWN OF LOCHBUIE
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC RETIREMENT ASSOCIATION OF COLORADO (PERA)

	2016	2015	2014
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY			
Town's Proportion of the Net Pension Liability	0.06694839%	0.05878188%	0.06415992%
Town's Proportionate Share of the Net Pension Liability	$ 737,491	$ 647,530	$ 526,867
Town's Covered-Employee Payroll	$ 457,823	$ 351,416	$ 322,098
Town's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	161.09%	184.26%	163.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.9%	80.7%	77.7%

TOWN OF LOCHBUIE
SCHEDULE OF TOWN CONTRIBUTIONS
PUBLIC RETIREMENT ASSOCIATION OF COLORADO (PERA)

	2016	2015	2014
TOWN CONTRIBUTIONS			
Statutorily Required Contribution	$ 58,052	$ 44,559	$ 40,842
Contributions in Relation to the Statutorily Required Contribution	58,052	44,559	40,842
Contribution Deficiency (Excess)	$ -	$ -	$ -
Town's Covered-Employee Payroll	$ 457,823	$ 351,416	$ 322,098
Contributions as a Percentage of Covered-Employee Payroll	12.68%	12.68%	12.68%

These schedules are presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

SUPPLEMENTARY INFORMATION

Town of Lochbuie, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS) - ENTERPRISE FUND - WATER

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Final Budget - Favorable (Unfavorable)
Revenues				
Charges for services	$ 1,500,000	$ 1,500,000	$ 2,057,475	$ 557,475
Other operating	221,600	221,600	74,079	(147,521)
System development fees	1,200,000	1,200,000	1,525,920	
Grant revenue	-	-	466,828	
Interest earnings	800	800	4,739	3,939
Other revenue	-	-	25,732	25,732
Total revenues	2,922,400	2,922,400	4,154,773	439,625
Expenditures				
Operations	847,106	840,766	812,771	27,995
Administrative and general	657,469	657,469	392,572	264,897
Capital outlay	2,770,000	3,240,000	925,605	2,314,395
Debt service	163,188	163,188	160,847	2,341
Total expenditures	4,437,763	4,901,423	2,291,794	2,609,629
Changes in fund balance	(1,515,363)	(1,979,023)	1,862,979	3,842,002
Funds available - beginning of year	8,402,072	5,640,033	4,286,568	(1,353,465)
Funds available - end of year	$ 6,886,709	$ 3,661,010	$ 6,149,547	$ 2,488,537

RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Revenues (budgetary basis)	$ 4,154,773
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	4,154,773
Expenditures (budgetary basis)	2,291,794
Depreciation	216,675
Principal payments of debt	(115,000)
Capital outlay	(925,605)
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	1,467,864
Change in net assets per Statement of Revenues, Expenses and Changes in Position	$ 2,686,909

Town of Lochbuie, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE - BUDGET AND ACTUAL (BUDGETARY BASIS) - ENTERPRISE FUND - SEWER

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance Final Budget - Favorable (Unfavorable)
Revenues				
Charges for services	$ 615,000	$ 615,000	$ 687,890	$ 72,890
Other operating	599,000	599,000	992,378	393,378
Tap and plant investment fees	562,500	562,500	898,876	336,376
Grant revenue	-	-	466,828	
Interest earnings	-	-	3,064	3,064
Other revenue	400	400	-	466,428
Total revenues	1,776,900	1,776,900	3,049,036	1,272,136
Expenditures				
Operations	1,201,165	1,201,165	907,148	294,017
Administrative and general	323,176	323,176	228,670	94,506
Capital outlay	983,500	2,206,555	978,174	1,228,381
Payments to other governments	-	-	639,688	(639,688)
Interest on debt	-	-	-	-
Total expenditures	2,507,841	3,730,896	2,753,680	977,216
Excess of revenues over expenditures	(730,941)	(1,953,996)	295,356	2,249,352
Funds available - beginning of year	12,632,348	3,406,120	2,581,621	(824,499)
Funds available - end of year	$ 11,901,407	$ 1,452,124	$ 2,876,977	$ 1,424,853

RECONCILIATION OF ACTUAL (BUDGETARY BASIS) TO STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

Revenues (budgetary basis)	$ 3,049,036
Total revenues per Statement of Revenues, Expenses and Changes in Net Position	3,049,036
Expenditures (budgetary basis)	2,753,680
Depreciation	197,841
Capital outlay	(978,174)
Total expenses per Statement of Revenues, Expenses and Changes in Net Position	1,973,347
Change in net assets per Statement of Revenues, Expenses and Changes in Net Position	$ 1,075,689

Town of Lochbuie, Colorado

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2016

Year Ended	$2,140,000 General Obligation Bonds, Series 2012 Principal Due December 1, Interest Rate 2% to 3% Payable June 1 and December 1			$2,180,000 Water Revenue Bonds, Series 2012 Principal Due December 1 Interest Rate 2% to 3% Payable June 1 and December 1		
December 31,	Principal	Interest	Total	Principal	Interest	Total
2017	$ 205,000	$ 35,419	$ 240,419	$ 115,000	$ 45,888	$ 160,888
2018	220,000	31,319	251,319	120,000	53,588	173,588
2019	225,000	26,919	251,919	120,000	41,188	161,188
2020	235,000	21,013	256,013	125,000	38,788	163,788
2021	240,000	14,550	254,550	125,000	35,663	160,663
2022	245,000	7,350	252,350	125,000	32,538	157,538
2023	-	-	-	135,000	29,256	164,256
2024	-	-	-	135,000	25,713	160,713
2025	-	-	-	140,000	22,000	162,000
2026	-	-	-	145,000	18,150	163,150
2027	-	-	-	150,000	13,800	163,800
2028	-	-	-	150,000	9,300	159,300
2029	-	-	-	160,000	4,800	164,800
	$ 1,370,000	$ 136,570	$ 1,506,570	$ 1,745,000	$ 370,672	$ 2,115,672

(continued)

Town of Lochbuie, Colorado

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

December 31, 2016
(continued)

Year Ended December 31,	Total Principal	Total Interest	Total
2017	$ 320,000	$ 81,307	$ 401,307
2018	340,000	84,907	424,907
2019	345,000	68,107	413,107
2020	360,000	59,801	419,801
2021	365,000	50,213	415,213
2022	370,000	39,888	409,888
2023	135,000	29,256	164,256
2024	135,000	25,713	160,713
2025	140,000	22,000	162,000
2026	145,000	18,150	163,150
2027	150,000	13,800	163,800
2028	150,000	9,300	159,300
2029	160,000	4,800	164,800
	$ 3,115,000	$ 507,242	$ 3,622,242

SPECIAL REPORT

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Lochbuie YEAR ENDING : December 2016
This Information From The Records Of (example - City of _ or County of _	Prepared By: Phone:

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	121,126
3. Other local imposts (from page 2)	259,021
4. Miscellaneous local receipts (from page 2)	54,847
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	434,994
B. Private Contributions	
C. Receipts from State government (from page 2)	177,790
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	612,784

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	0
2. Maintenance:	274,574
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	3,740
c. Other	76,160
d. Total (a. through c.)	79,900
4. General administration & miscellaneous	18,892
5. Highway law enforcement and safety	
6. Total (1 through 5)	373,366
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	39,418
b. Redemption	200,000
c. Total (a. + b.)	239,418
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	239,418
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	612,784

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	612,784	612,784		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado YEAR ENDING (mm/yy): December 2016

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	239,418	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	54,847
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	19,603	g. Other Misc. Receipts	
6. Total (1. through 5.)	19,603	h. Other	
c. Total (a. + b.)	259,021	i. Total (a. through h.)	54,847
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	156,749	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	21,041	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	21,041	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	177,790	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: